



COSTA MESA SANITARY DISTRICT MINUTES OF BOARD OF DIRECTORS REGULAR MEETING OCTOBER 12, 2005

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on October 12, 2005, at 5:00 p.m. at 628 W. 19th Street, Costa Mesa.

President Ferryman called the meeting to order at 5:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance.

INVOCATION

Director Woodside gave the invocation.

ROLL CALL

DIRECTORS PRESENT:

James Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

DIRECTORS ABSENT:

None

STAFF PRESENT:

Robin B. Hamers, Manager/District Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Board Secretary/Program Manager/Clerk of the District; Wendy Davis, Treasurer; Sherry Kallab, Accountant; Denise Gilbert, Permit Processing Specialist

OTHERS PRESENT:

Ms. Gina Kevillian, 2414 Niagara Way, Costa Mesa



..... **CONSENT CALENDAR**

Ms. Davis requested the Treasurer's Report be pulled from the Consent Calendar, stating the report was not available due to the early meeting date.

Director Perry motioned to approve the Consent Calendar as presented, with the exception of the Treasurer's Report. Director Woodside seconded. Motion carried 5-0.

REPORTS

MINUTE APPROVAL

Minutes of Recycling
Committee Meeting –
September 9, 2005

The Minutes of the Recycling Committee Meeting of September 9, 2005, were approved as distributed.

Investment Oversight
Committee Meeting –
September 14, 2005

The Minutes of the Investment Oversight Committee Meeting of September 14, 2005, were approved as distributed.

Minutes of Regular
Meeting,
September 14, 2005

The Minutes of the Regular Meeting of September 14, 2005, were approved as distributed.

MANAGER'S REPORTS

Refunds

There were no refunds for the month of September 2005.

Occupancy Report and
Payment of \$194,652.95
to Costa Mesa Disposal –
October 2005

The Trash Occupancy Count documented no increase or decrease for the occupancy report for solid waste collection as of October 1, 2005. Therefore, the total for October is 21,261.

Board directed Staff to prepare a warrant for \$194,652.95 to Costa Mesa Disposal on November 1, 2005, for October 2005 collection count of 21,261.

Monthly Spill Report to
Regional Water Quality
Control Board (RWQCB)

The Monthly Spill Report to the Regional Water Quality Control Board (RWQCB) for September 2005 was accepted as submitted.



ENGINEER'S REPORTS

Project Status Report The Project Status Report dated September 2005 was accepted as submitted.

Safety/Loss Control Meeting Minutes – September 21, 2005 The/Safety Loss Control Meeting Minutes of September 21, 2005, were accepted as submitted.

TREASURER'S REPORTS

Financial Report as of September 30, 2005 The Financial Report as of September 30, 2005 was accepted as submitted.

Treasurer's Report as of September 30, 2005 The Treasurer's Report was not yet completed and will be presented at the November meeting.

Warrant 2006-4 for August 2005 in the amount of \$717,021.34 Warrant Resolution #CMSD 2006-4 was approved, authorizing the President and Secretary to sign the warrant ratifying the payment of certain claims and demands, and specifying the funds out of which the same were paid in the amount of \$717,021.34.

Directors Expenses for the Month of September 2005 Director Compensation and Expense Reimbursement for the Month of September 2005 were approved and ratified as follows:

Director Ferryman: \$510.00
Director Perry: \$510.00
Director Schafer: \$874.95
Director Woodside: \$510.00
Director Worthington: \$1058.80 +23.76

..... **END OF CONSENT CALENDAR**

WRITTEN COMMUNICATIONS

Ms. Revak reported there were no written communications received.

PUBLIC COMMENTS

There were no public comments made.



MANAGER'S REPORTS

FIELD MAINTENANCE SERVICES

The Costa Mesa Sanitary District ended the contractual relationship with the City of Costa Mesa and will end interim services on December 15, 2005. The District has been exploring multiple options to replace the services previously provided to the District by the City.

Mr. Hamers outlined the various items to be addressed:

- **Discussion of Three Components: Sewer Cleaning, Pump Station Maintenance, and Emergency Response**
- **Reduction of Fats, Oils, and Grease (FOG) Reduction Program**
- **Telemetry System Operation and Maintenance**
- **Private Contractor Cost Estimate**
- **Hiring New Employees Cost Estimate**
- **Hiring City of Costa Mesa Employees**
- **Mesa Consolidated Water District (MCWD) Assistance**

Discussion was held regarding the frequency and extent of cleaning the sewer system as well as equipment and storage needs.

Employment applications for a supervisory and maintenance position were approved and released. The District is also exploring contracting these services.

Mr. Fauth addressed the cost of purchasing property for a yard space versus rental facilities. President Ferryman suggested checking with Mesa Consolidated Water District as to whether or not they have available space.

Discussion was held regarding the financial considerations for a City employee accepting employment with the District.

Mr. Fauth provided a detailed cost analysis spreadsheet for the various options presented.

The Board expressed a preference for Option 1, hiring a supervisor and utilizing a contracted service from National Plant Services for sewer line cleaning and Jemni for pump station maintenance with a projected total annual cost of \$535,000.

A special meeting was set for November 30, 2005 at noon.



STANDARDIZED TRASH CONTAINER PROGRAM REPORTS

Mr. Fauth presented the Ordinance Enforcement Summary Report for the month of September 2005. Approximately 12 courtesy flyers were distributed to residents and three containers sprayed to cover graffiti markings.

Mr. Fauth reported Mr. Shef is monitoring Placentia from Victoria to Wilson on a daily basis.

INCREASE IN INVOICE FOR MONTHLY SERVICES FROM CITY OF COSTA MESA

Mr. Hamers reported the City submitted billing reflecting a 10% increase for services. There had been no previous discussion or approval of the increase.

Discussion was held.

Director Schafer motioned to reject the requested 10% increase. Director Worthington seconded.

Motioned carried 4-1 as follows:

Ayes: Ferryman, Schafer, Woodside, Worthington
No: Perry

CMSD STRATEGIC PLAN

YEAR 2005 STRATEGIC PLANNING ACTION ITEMS

NEW DISTRICT HEADQUARTERS

BUILDING AND GROUNDS AD HOC COMMITTEE

UPDATE ON IMPROVEMENTS

Mr. Fauth reported the flag pole should be installed by November 5, 2005

The doors were ordered on August 31, 2005. One of the doors is not readily available and will be manufactured.



REPAIR ROOF, PAINT BUILDING EXTERIOR, INSTALL LANDSCAPE IMPROVEMENTS

Mr. Hamers reported more investigation into the current condition of the roof will be required before making a decision as to repair or replacement.

An Ad Hoc Committee meeting was scheduled for Wednesday, November 19, 2005.

UPDATE ON VIDEO

Mr. Fauth presented the proposed cost from Monitor Video for production of a Costa Mesa Sanitary District video.

Mr. Fauth reported he is waiting for the completion of the building remodel before beginning production of the video. Footage of the Used Tire Roundup was obtained at the recent event.

Mr. Fauth requested approval of \$2,500 for preparation of the script.

Director Perry motioned to approve \$2,500 for preparation of script. Director Schafer seconded. Motion carried 5-0.

RESPONSE FROM CR&R ON TRASH COLLECTION RATES

Mr. Fauth reported he spoke to Mr. Ronnenberg of CR&R who stated they are ready to meet with Staff.

Mr. Hamers and Staff will meet with representatives from CR&R to discuss trash collection rates.

RECYCLING REPORTS

WASTE DIVERSION REPORT – SEPTEMBER 2005

Ms. Revak presented the Waste Diversion Reports for September 2005 showing a 50.89% diversion rate.

Director Woodside motioned to receive and file the report. Director Schafer seconded. Motion carried 5-0.



CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR SEPTEMBER 2005 SERVICES

Director Perry motioned to ratify contract payment to CR Transfer for recycling services and disposal for the month of September 2005 in the amount of \$195,824.99. Director Woodside seconded. Motion carried 5-0.

JOINT MEETING WITH MIDWAY CITY SANITARY DISTRICT (MCSD) AT CMSD HEADQUARTERS

Ms. Revak reported no meeting date has been received from Midway City.

CITY/DISTRICTS LIAISON COMMITTEE MEETING – SEPTEMBER 23, 2005

Director Worthington motioned to accept the Minutes for the City/District Liaison Committee Meeting of September 23, 2005. Director Schafer seconded. Motion carried 5-0.

NO TIME TO WASTE: A BLUEPRINT FOR CALIFORNIA WATER

Director Schafer motioned to approve in concept a Resolution to support *No Time to Waste: A Blueprint for California Water*. Director Perry seconded. Motion carried 5-0.

CMSD FALL 2005 NEWSLETTER

Ms. Revak presented the Fall 2005 CMSD Newsletter for the Board's review.

RECYCLING COMMITTEE – MONDAY, OCTOBER 10, 2005 - 12:00 P.M., CMSD BOARDROOM, 628 W. 19TH STREET, COSTA MESA, DIRECTORS WOODSIDE AND SCHAFER

RECYCLING COMMITTEE GOALS FOR 2005/2006

PLASTICS RECYCLING PROJECT PRESENTATION TO BOY SCOUT TROOP 722

Director Woodside reported Staff completed an educational program for Boy Scout Troop 722



TIRE RECYCLING EVENT – SATURDAY, OCTOBER 8, 2005

Director Woodside reported the Used Tire Roundup was held on October 8 with 68 tires collected.

2005 SCHOOL TELEPHONE BOOK RECYCLING PROGRAM

Director Woodside reported the Telephone Book Recycling Program will begin on November 14 and run through December 16, 2005. Director Woodside reported the Committee discussed raising the amount of top prize.

Director Schafer reported the Committee discussed having an article highlighting an aspect of recycling included in all newsletters.

ENGINEER'S REPORTS

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Hamers reported the Statewide WDR will be coming out in January.

Mr. Hamers reported September 30, 2005 was the deadline for all reports to be submitted to the Water Quality Control Board. Mr. Hamers reported the Costa Mesa Sanitary District had their deliverables turned in early.

Mr. Burns reported CASA has been assisting in compiling a matrix of citizens' group lawsuits within California.

PROJECT NO. 174 - GREASE CONTROL PROGRAM DEVELOPMENT

Mr. Hamers reported the program is working well and there were four food service establishments previously noncompliant that have taken steps to become compliant. There have been no fines issued to date.

DEVELOPMENT AGREEMENT AT 1901 NEWPORT BLVD. – EXCESS SEWER FLOWS

Mr. Hamers reported the agreement will be signed as soon as the developer is ready to connect to the sewer.



AGREEMENT WITH CONTRACTOR TO TELEWISE SEWER LINES

Mr. Hamers reported obtaining signatures on the National Plant Service agreement.

PROJECT #168 – TUSTIN PUMPING STATION RELOCATION, PHASE I

Mr. Hamers reported the final approved bid amount was \$422,025 and there was a total of \$39,240.77 in change orders. Mr. Hamers requested approval of final amount of \$461,265.17.

Director Schafer motioned to approve total of \$461,265.17 (\$422,025 and \$39,240.77) for Project #168, Tustin Pumping Station Relocation, Phase I. Director Woodside seconded. Motion carried 5-0.

TREASURER'S REPORTS

ADJUSTMENT TO DISTRICT PORTFOLIO FOR LIQUIDITY PURPOSES

Ms. Davis reported to the Board that on September 26, 2005, she liquidated an investment prior to maturity to meet the District's cash flow needs. A \$1,000,000 Federal Home Loan Mortgage Corp. bond with a maturity date of April 27, 2009 was sold for \$982,300 – a loss of \$17,700. The District's portfolio was reviewed with three different broker/dealers to determine which securities were trading closest to their face value. The security was sold to the highest bidder.

Ms. Davis recommended the District increase their liquidity from 20% to 35%. The current condition will continue to exist through May 2007.

ATTORNEY'S REPORT

CURBSIDE HHW AGREEMENT

Mr. Burns provided a brief report on the continuation of the agreement with Curbside HHW and the State's new ruling that the District accept liability for Curbside's operations.

Mr. Burns reported the indemnity and insurance protections provide acceptable protections for the District to continue the Household Hazardous Waste program with Curbside Inc.



Director Schafer motioned to approve and execute the agreement with Curbside Inc. and approve the Permit by Rule Provisions. Director Woodside seconded. Motion carried 5-0.

COSTA MESA DISPOSAL AND CR TRANSFER CONSOLIDATED AGREEMENT

Mr. Burns reported receiving communication from CR&R stating they were reviewing the Consolidated Agreement.

Mr. Burns advised the Board he wanted to discuss a nonagenda item – AB1234.

Director Perry motioned that the need arose after the agenda was prepared to discuss a nonagenda item and that there was a need to take immediate action. Director Schafer seconded the motion. Motion carried 5-0.

Mr. Burns provided a synopsis on AB1234, Local Government Sunshine Bill. The bill would require training on various topics such as the Brown Act, ethics, and require special provisions for expenses and reimbursements. Mr. Burns related there will be recordkeeping duties and reports to satisfy in conjunction with this bill.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – SEPTEMBER 28, 2005 (PRESIDENT FERRYMAN)

Director Ferryman attended the OCSD meeting and reported the following:

- Equipment and engineers being sent to the gulf to provide assistance in the hurricane damaged areas
- Cooperative Projects Committee Meeting – Costa Mesa identified as inflow problem area

Mr. Hamers provided an explanation of inflow and infiltration and discussed what the District intends to do to decrease inflow.

SANTA ANA RIVER FLOOD PROTECTION AGENCY

EXECUTIVE COMMITTEE MEETING – SEPTEMBER 22, 2005 (PRESIDENT FERRYMAN/DIRECTOR PERRY)

President Ferryman discussed the Seven Oaks Dam repair and provided pictures for the Board's review.



INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

QUARTERLY MEETING – FRIDAY OCTOBER 28, 2005

Director Schafer reminded Board Members the Quarterly Meeting would be held on October 28, 2005.

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Director Schafer attended a CAL LAFCO Annual meeting in Monterey on September 7-9. They discussed Special Districts.

Director Schafer attended the October 12 LAFCO meeting and reported they discussed the following:

- Spheres of Influence
- Nine MSRs
- Update of Bolsa Chica annexation - 68 acres being considered for 349 residential homes

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Director Schafer attended the CSDA meeting and reported the following:

- Director Schafer was reelected to the CSDA Executive Board as Treasurer
- Director Schafer was moderator for two sessions
- Finance Corporation Board Meeting November 17 & 18

**ANNUAL CONFERENCE AND EXHIBITOR SHOWCASE – SEPTEMBER 27-29, 2005,
LONG BEACH (DIRECTORS SCHAFFER & WORTHINGTON)**

Directors Schafer and Worthington attended the CSDA Annual Conference in Long Beach.

MEETINGS OF: COSTA MESA CITY COUNCIL, OCCOG, WACO, CHAMBER OF COMMERCE

CHAMBER OF COMMERCE

Director Schafer reported the Chamber of Commerce held a luncheon instead of a meeting which allowed participants to get to know each other better.



OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

There was no new business discussed.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

Ms. Revak inquired as to which Directors will be attending the Quarterly ISDOC meeting. All Directors expressed a desire to attend the meeting.

ADJOURNMENT

At 7:35 p.m., President Ferryman adjourned the meeting.

SECRETARY

PRESIDENT